

2005 CITY PROPERTY TAXES
COUNCIL APPROVES GENERAL FUND BUDGET

IN AN EFFORT TO MAINTAIN QUALITY services at an affordable price, the City Council adopted a General Fund Budget of \$45,069,480, an increase that has averaged 1.46 percent since 2003.

The City Council approved a tax levy for 2005 of \$36,091,897. Property taxes allocated to the General Fund have increased only 3.27 percent over the past three years, from \$27.2 million in 2003 to \$28.1 million in 2005, despite the loss of \$1.3 million in state aids in each of the three years.

Based on this tax levy, the City's portion of property taxes – approximately 33 percent – will increase from \$52.24 to \$57.14 per month for the owner of a median-priced single-family home with a 2004 market value of \$214,400. The median-valued home has increased 9.5 percent in 2004 – an \$18,700 appreciation in asset value of the investment in the home.

Conservative increase

"Including the 2005 increase, the City's total levy dollar increase averaged

2.96 percent annually over the last 12 years," explained Lori Economy-Scholler, Bloomington Chief Financial Officer. "The City's strong financial position and conservative spending pattern have helped keep tax increases low as evidenced by the City achieving the highest bond ratings from Standard and Poor's, Moody's and, most recently, Fitch credit rating agencies."

Home value increases

As a result of a strong residential property market, moderate market increases for other property types and the state's 2001 property tax reform increased overall residential property taxes for 2005. These factors also shifted the burden for the City's share of taxes from commercial/industrial and apartment properties to single-family residential properties. Due to the tax reform, the median-valued home would

have experienced a \$1.92 per month tax increase even without a levy increase for 2005. The median-valued home's total property taxes have increased at an annual rate of 4.3 percent per year for the past 10 years and, as a percentage of market value, have decreased 3.3 percent per year for the same period.

MONTHLY COST FOR CITY SERVICES		
Service type*	2004	2005
Police	\$15.81	\$17.49
Public Works	11.41	14.13
Community Services	7.41	7.93
Debt and capital	4.91	6.25
Fire	7.76	6.30
Technical Services	2.14	2.24
Community Development	2.80	2.80
Monthly total for City services	\$52.24	\$57.14
Median home value	\$195,800	\$214,400
*Revised for final levy.		

Responsible budgeting

The City made adjustments in 2002 through 2004 for declining local revenues. Even with the loss of state monies in 2005, the City has an ongoing commitment to provide cost-effective services while minimizing increases.

In a 2004 comparison of 15 communities in Hennepin County with more than 20,000 residents, the average household cost of services in terms of property taxes and property tax aids (when adjusted for Fiscal Disparities) showed Bloomington ranking second lowest, with the average household paying \$42.32 per month in property taxes to the City. (Comparison based on all households including single-family homes.) *See bar graph at left.* Public works, police and fire services account for about 60 percent of the monthly services for which homeowners pay. *See chart above.*

From 1995 through 2002, utility fees remained unchanged. For 2005, utility fees will increase \$1.48, or 4.8 percent per month, for an annual average increase of 1.9 percent since 1993.

GET TO KNOW YOUR
LOCAL GOVERNMENT
MAYOR AND CITY COUNCIL
SALARIES

"How much do the Mayor and City Council get paid to do their jobs?"

A Bloomington 3rd grader

BLOOMINGTON'S MAYOR IS PAID \$18,700 per year and spends around 30 hours per week on City business that includes attending approximately 50 Council meetings per year. The Mayor also performs ribbon cuttings, groundbreakings and dedications, speaks to business groups and organizations, visits classrooms, welcomes convention groups and serves on outside boards.

City Councilmembers are paid \$11,700 per year and spend a minimum of 15-20 hours per week on City business. The Council meets three times per month for meetings and study sessions.

EXCELLENCE IN
BUDGET
PRESENTATION
CITY RECEIVES AWARD

THE CITY RECEIVED THE Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2004, from the Government Finance Officers Association. The highest form of recognition in governmental budgeting, the award represents a significant achievement. A governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan and communications device. The City has received this award for the last eight years.

GROWTH POTENTIAL FOR AIRPORT SOUTH
PLANNING AND INVESTMENTS PAY OFF

OVER THE PAST 25 YEARS, PROACTIVE planning and public investment has set the stage for additional growth in the Airport South District. With direct proximity to amenities including the Minneapolis-St. Paul International Airport, Minnesota Valley National Wildlife Refuge, I-494, Mall of America and Hiawatha Light Rail transit, Airport South is attracting new residents and businesses.

A comprehensive plan is in place to encourage future development that will increase employment opportunities and housing. The plan also creates opportunities to diversify and expand the City's tax base, make the area even more appealing for existing businesses and create a vibrant, new neighborhood. The plan calls for high-intensity development with high-density residential uses, creating a dynamic live-work environment and taking advantage of the transit services in the area.

